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U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re The Pilot Funds

Serial No. 74/551,253

Glenn A. Gundersen of Dechert Price & Rhoads for The Pilot Funds.

Katherine Stoides, Trademark Examining Attorney, Law Office 109 (Deborah S. Cohn, Managing Attorney).

Before Simms, Hanak and Hohein, Administrative Trademark Judges.

Opinion by Hohein, Administrative Trademark Judge:

An application has been filed by The Pilot Funds to register the mark "THE PILOT FUNDS" for a "mutual fund investment service offered to bank and trust company customers."[1]

Registration has been finally refused under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), on the ground that applicant's mark, when applied to its services, so resembles the mark "PILOT PLUS," which is registered for "security brokerage

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[1] Ser. No. 74/551,253, filed on July 19, 1994, which alleges dates of first use of June 1, 1994. The words "THE" and "FUNDS" are disclaimed.

services; namely, securities executions in a brokerage account on an annual fee basis in lieu of commissions on individual transactions,"[2] as to be likely to cause confusion, mistake or deception.

Applicant has appealed. Briefs have been filed, but an oral hearing was not held.[3] We reverse the refusal to register.

Turning first to the respective marks, the Examining Attorney asserts that they are "highly similar" in sight, sound and commercial impression. Although the Examining Attorney correctly observes that applicant has offered "no argument opposing the [E]xamining [A]ttorney's assertion that the marks are highly similar," we note that the shared term "PILOT" in applicant's "THE PILOT FUNDS" mark and registrant's "PILOT PLUS" mark is highly suggestive, as applied to their respective mutual fund investment services and securities brokerage account services, since such term projects an image of experienced guidance or well qualified leadership.[4] The ambit of protection

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[2] Reg. No. 1,791,887, issued on September 7, 1993, which sets forth dates of first use of November 17, 1992.

[3] Applicant, while initially requesting an oral hearing, subsequently withdrew such request the day before the hearing was scheduled to take place.

[4] For instance, we judicially notice in this regard that Webster's New World College Dictionary (3d ed. 1997) at 1025 defines "pilot" as, inter alia, a noun meaning "**1** *a*) org. HELMSMAN *b*) a person licensed to direct ships into or out of a harbor or through difficult waters **2** a person qualified to operate the controls of an aircraft or spacecraft **3** a guide; leader ..."; a verb signifying "**1** to act as a pilot of, on, in, or over **2** to guide; conduct; lead"; and an adjective connoting "**1** that which serves as a guide ...." It is settled that the Board may properly take judicial notice of dictionary definitions. See, e.g., Hancock v. American Steel & Wire Co. of New Jersey, 203 F.2d 737, 97 USPQ 330, 332 (CCPA 1953) and University of

for each of such marks is correspondingly less than that which would be afforded an arbitrary or fanciful mark.

With respect to the specifically different financial services offered by applicant and registrant, the Examining Attorney argues that "the applicant's 'mutual fund investment services offered to bank and trust company customers' are related, if not closely related, to the registrant's 'security brokerage services; namely, securities executions in a brokerage account on an annual fee basis in lieu of commissions on individual transactions.'" In particular, the Examining Attorney insists that (footnote omitted):

> It is customary for financial institutions to offer securities brokerage services, mutual fund brokerage services and a number of other ancillary services therefor to its customers--be they bank customers, trust company customers or other types of customers. The customer's/consumer's familiarity with this common practice is substantiated by the numerous third-party registrations [of record] identifying both securities brokerage services and mutual fund services offered under the same service mark. Consequently, when a consumer encounters a similar mark on the services of the nature identified by the applicant and the registrant, he is likely to believe that there two services, albeit different services, are offered by the same institution.

While the Examining Attorney, in support of her position, has indeed made of record over a dozen use-based third-party registrations which list, in each instance, both mutual

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Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc., 213 USPQ 594, 596 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

funds and securities brokerage services of various kinds, only two of such registrations also include banking services and thus were issued to banking institutions.[5] The other registrations, in contrast, were issued to securities brokers or insurance companies. Nevertheless, because registrant's services, unlike those of the applicant, are not restricted to bank and trust company customers but are, instead, defined "very broad[ly] with respect to its intended customers," the Examining Attorney maintains that "it is presumed that the [cited] registration encompasses services offered to all types of customers, including those in the applicant's more specific identification." In view of this overlap of consumers, the Examining Attorney insists that confusion as to origin of affiliation is likely because "the same potential customer will encounter the similar marks, PILOT PLUS and THE PILOT FUNDS, on financial investment-oriented services."

We agree with applicant, however, that "the Examining Attorney has not provided any real-world rationale for how confusion is likely to occur, given the parties' respective identification[s] of services." In this regard, as applicant points out, its mutual fund investment services, as identified,

[5] Such registrations also respectively include "estate trust management services" and "trust and fiduciary services". Moreover, while not listing banking services, there are three other registrations of record which set forth, respectively, "trust services," "financial investment and brokerage services in the field of ... trusts" and "providing information regaarding [sic] the administration of trust accounts by electronic means" in addition to mutual fund and securities brokerage services. We have focused our attention, however, on any overlap of securities brokerage services with mutual fund investment services offered by banking institutions since both applicant's and the Examining Attorney's arguments are directed to whether there is a likelihood of confusion among banking customers--specifically, those customers who patronize a bank and trust company.

are offered only to bank and trust company customers, while registrant's securities brokerage services are limited to a particular kind of brokerage account which provides securities executions on an annual fee basis in lieu of commissions on individual transactions. The respective services are therefore not only specifically different, but the channels of trade in which such services are rendered--banking institutions versus securities brokerages--are distinctly different, notwithstanding that the same customer could admittedly do business with both. By thus "limit[ing] the context in which consumers are likely to encounter the [respective] marks," the prospect for confusion as to source or sponsorship is significantly lessened, particularly in light of the suggestiveness inherent in the marks "THE PILOT FUNDS" and "PILOT PLUS".

Moreover, while ordinary investors may not necessarily be sophisticated and highly knowledgeable with respect to various financial investments and arrangements, the purchase of mutual funds and the establishment of securities brokerage accounts typically involve, due to the not insubstantial sums of money necessary for such transactions, a significant amount of care and deliberation prior to the selection and execution thereof.[6] Such

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[6] Applicant also raises the argument that:

> [T]he sale of mutual fund investment services is highly regulated and involves extensive prospectus and disclosure requirements. No mutual fund may be offered for sale without an accompanying prospectus which clearly identifies the names of the fund administrator and advisor. Similarly, any instrument through which the PILOT PLUS account [of registrant] is sold will inevitably make clear the connection between the PILOT PLUS mark and its owner

activities clearly are not done impulsively. Thus, as applicant persuasively notes in its reply brief:

> While all investors may not be "sophisticated in trademark matters," it is also true that people are likely to be more careful when investing their money than in other situations, a fact which has been observed by the courts. See, e.g., Wachovia Bank & Trust Co. v. Crown Nat'l Bankcorp., 835 F. Supp. 882, 27 U.S.P.Q.2d 1698 (W.D.N.C. 1993) (consumers for financial services less likely to be confused than the general public) ....
>
> Investing in a mutual fund or opening a securities brokerage account are clearly not inexpensive, impulsive transactions that an ordinary consumer might be expected to enter into lightly. Rather, as the federal securities laws presume, a reasonably prudent person would only make such an investment or open such an account after careful review and consideration of the mutual fund prospectus or the instrument by which the brokerage account was sold. ....

We find, therefore, on this record that, in light of high degree of suggestiveness possessed by the respective marks, the specific differences in the nature and channels of trade for the respective services, and the care and deliberation

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> .... Thus, disclosure requirements will make consumer confusion very unlikely. In failing to consider this factor, the [E]xamining [A]ttorney overstated the risk of consumer confusion.

We note, however, that notwithstanding such disclosure requirements, Section 2(d) of the statute precludes registration of "a mark which so resembles a mark registered in the Patent and Trademark Office ... as to be likely ... to cause confusion ...." The issue of likelihood of confusion must accordingly be decided on the basis of the mark sought to be registered and the mark shown in the cited registration. The fact, therefore, that applicant and registrant may use--or even be required to use--their respective marks with added matter, such as house marks and/or trade names, is simply irrelevant and immaterial. See, e.g., Sealy, Inc. v. Simmons Co., 265 F.2d 934, 121 USPQ 456, 459 (CCPA 1959); Burton-Dixie Corp. v. Restonic Corp., 234 F.2d 668, 110 USPQ 272, 273-74 (CCPA 1956); Hat Corp. of America v. John B. Stetson Co., 223 F.2d 485, 106 USPQ 200, 203 (CCPA 1955); and ITT Canteen Corp. v. Haven Homes Inc., 174 USPQ 539, 540 (TTAB 1972).

customarily exercised by consumers in connection with the types of financial activities involved herein, confusion as to source or sponsorship is not likely to result from contemporaneous use of the mark "THE PILOT FUNDS" for a "mutual fund investment service offered to bank and trust company customers" and the mark "PILOT PLUS" for "retail brokerage services; namely, securities executions in a brokerage account on an annual fee basis in lieu of commissions on individual transactions."[7]

Decision: The refusal under Section 2(d) is reversed.[8]

E. W. Hanak

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[7] We further note, in this regard, that notwithstanding an overlap of customers for the respective services in this case, our principal reviewing court has nonetheless cautioned that:

> We are not concerned with mere theoretical confusion, deception or mistake or with de minimis situations but with the practicalities of the commercial world, with which the trademark laws deal.

Electronic Design & Sales Inc. v. Electronic Data Systems Corp., 954 F.2d 713, 21 USPQ2d 1388, 1391 (Fed. Cir. 1992), *citing* Witco Chemical Co. v. Whitfield Chemical Co., Inc., 418 F.2d 1403, 164 USPQ 43, 44-45 (CCPA 1969), *aff'g*, 153 USPQ 412 (TTAB 1967).

[8] It would appear from the dissent that once again, as previously noted by our principal reviewing court in Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank, 842 F.2d 1270, 6 USPQ2d 1305, 1308 (Fed. Cir. 1988), "the board lays claim to an arsenal of superior knowledge about the banking business". However, to the extent that the dissent relies upon facts not disclosed by the present record, suffice it to say that while we might indeed decide this appeal differently on a more extensive and compelling evidentiary record, we are not at liberty to consider additional adjudicative facts--not properly the subject of judicial notice--from outside of the record, such as information from Yellow Pages advertisements or asserted approvals of merger activity by the cited registrant. The dissent's consideration of such evidence would appear to be in violation of the Board's published policy with respect to matters which are appropriate for judicial notice under Fed. R. Evid. 201. See TBMP §712.01. As a final point, we note that it is misleading for the dissent to state that "*some* financial institutions ... have registered marks for mutual fund investment services, securities brokerage services *and banking services*" (*emphasis added)* when the record contains, as previously indicated, only *two* such registrations by our count.

G. D. Hohein
Administrative Trademark Judges,
Trademark Trial and Appeal Board

Simms, Administrative Trademark Judge, dissenting:

I dissent from the majority's conclusion that confusion is unlikely.

First, I disagree with the majority's statement that the registered mark PILOT PLUS, owned by Wheat, First Securities, Inc., is "highly suggestive" for securities brokerage services. Aside from the fact that applicant never argued that this mark was in any way "weak" (applicant never even argued that confusion was unlikely because of any differences in the marks), I cannot agree with this assessment of the registered mark. I believe that the mark PILOT PLUS may be arbitrary but, at most, it is only marginally suggestive of registrant's services. In any event, with respect to the marks (THE PILOT FUNDS and PILOT PLUS), it is clear that the dominant feature of each mark is the word PILOT.

With respect to the relatedness of the services, it is noteworthy that, up to the filing of the notice of appeal, applicant and the Examining Attorney argued the issue of likelihood of confusion on the basis of services described by applicant originally as "mutual fund services" and then as "mutual fund investment services". The Examining Attorney argued that mutual fund investment services and securities brokerage

services are offered by the same entities under the same marks. (Third-party registrations show that a number of entities, including Charles Schwab, E. F. Hutton and Merrill Lynch, have registered one or more marks covering these services and more.) Then applicant, with its notice of appeal, amended the description of services to indicate that its services were offered to bank and trust company customers. Therefore, after appeal, the focus shifted to the relatedness of securities brokerage services and mutual fund services offered in the banking environment. The Examining Attorney made of record third-party registrations showing, in addition to those mentioned above, that some financial institutions (such as KeyCorp. and Deposit Guaranty Corp.) have registered marks for mutual fund investment services, securities brokerage services and banking services.

It is clear that applicant offers a variety of funds under the mark sought to be registered. A portion of the specimens of record, a letter sent to its customers, is reproduced below:

I do not profess to be an expert on the financial services industry. However, we are all aware of attempts in recent years to modernize the nation's banking industry to eliminate some of the Depression-era restrictions on banking operations. As some of the third-party registrations tend to show, financial institutions now offer both mutual fund investment services (witness this application) and some securities brokerage services. One need look no further than today's headlines to see the rise in mergers between banking institutions and securities firms. Some banks now have securities sales forces and the public is becoming increasingly accustomed to seeing brokerage activities in the banking environment. A glance at local Yellow

Pages advertisements confirms that some banks are currently offering investment advisory and brokerage services. Indeed, the third-party registrations of record reflect this reality. And, while outside of this record, it appears that the owner of the very registration cited against applicant has recently been acquired by a bank holding company (First Union). See Letter of the Comptroller of the Currency, January 21, 1998, Conditional Approval # 270, 1998 OCC Ltr. LEXIS 11; 84 Federal Reserve Bulletin No. 1, January 1998; Announcement of Board of Governors of the Federal Reserve System, H2, No. 48, November 29, 1997; and Federal Reserve Orders, Order Approving Notice to Engage in Nonbanking Activities, November 26, 1997. Such business merger activity makes it all the more likely that the public will believe that there is a connection, because of the similarity of the marks, between a mutual fund offered by banks and a securities brokerage account. Bills are now pending before Congress which would allow even more securities activities by banks.

However, even on this record, assuming that applicant's mutual fund services are and will be offered only to bank and trust company customers, while registrant's services are offered only to a securities brokerage firm's customers, what we said in Freedom Savings and Loan Assn. V. Fidelity Bankers Life Insurance Co., 224 USPQ 300, 304 (TTAB 1984)(holding marks for various

financial services and life insurance services to be confusingly similar), is particularly apt:

> Moreover, it is not necessary as as matter of trademark law that goods or services be competitive or be sold together or through the same outlets if they can be shown to be related in some manner that would suggest to persons encountering them, *even at different locations, sources, or offices*, a likelihood of common sponsorship. (Emphasis added.)

The public encountering PILOT PLUS in connection with a securities brokerage account are likely, I believe, to think that this service is another one of THE PILOT FUND services which they have encountered in banks and trust companies. To the extent that there may be any doubt on this matter, in accordance with well-established precedent, I would resolve any doubt in favor of the registrant and against the newcomer, who had a duty to select a mark that was dissimilar to any registered trademark or service mark for closely related goods or services.

R. L. Simms
Administrative Trademark Judge,
Trademark Trial
and Appeal Board